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# TAMIL NADU GOVERNMENT GAZETTE

## EXTRAORDINARY

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### Part VI—Section 2

**Notifications or Orders of interest to a section of the public  
issued by Heads of Departments, etc.**

#### **NOTIFICATIONS BY HEADS OF DEPARTMENTS, ETC.**

##### **TAMIL NADU ELECTRICITY REGULATORY COMMISSION**

AMENDMENT TO THE TAMIL NADU ELECTRICITY REGULATORY COMMISSION (GRID CONNECTIVITY AND INTRA STATE OPEN ACCESS) REGULATIONS, 2014.

*(Notification No. TNERC/ISOA/11/2-1 dated 16-3-2022)*

**No.VI(2)/31(e)/2022.**

In exercise of the powers conferred under section 181 of the Electricity Act,2003 (Central Act 36 of 2003) and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission hereby makes the following amendment to the Tamil Nadu Electricity Regulatory Commission (Grid Connectivity and intra State Open Access) Regulations,2014, the draft of the same having been previously published as required by sub-section (3) of section 181 of the said Act.

##### **AMENDMENT**

In the said Regulations,-

(1) after sub-regulation (1) of regulation 19, the following sub-regulation shall be inserted, namely:-

"(2) 1. Priority for adjustment of energy :

The priority for adjustment of energy drawn by an open access consumer from different sources shall be as per the following sequence of reducing priority and shall be implemented for each slot/time block (adjustment in time block shall be applicable as and when implemented), upon adjustment of applicable losses:

1. Power exchange transactions-collective followed by bilateral
2. Third party power purchase – Biomass
3. Third party power purchase – Bagasse based co-generation
4. Third party power purchase –Thermal
5. Third party power purchase – Solar
6. Third party power purchase – Wind

7. Captive source – Biomass
8. Captive source – Bagasse based co-generation
9. Captive source – Thermal
10. Captive source –Solar (high cost power first followed by low cost power)

11. Captive source – Wind (Captive wind energy generated in a month shall be adjusted first against consumption of that month and excess unutilized energy banked. *i.e* Methodology of adjustment specified in the Commission's Tariff orders for wind energy, as below, shall be followed:

The energy generated during April shall be adjusted against consumption in April and the balance if any shall be reckoned as the banked energy. The generation in May shall be first adjusted against the consumption in May. If the consumption exceeds the generation during May, the energy available in the bank shall be drawn to the required extent. If the consumption during May is less than the generation during May, the balance shall be added to the banked energy. This procedure shall be repeated every month.)

- 11 (i) Windmills under REC scheme with 1 month banking (high cost power followed by low cost power)
- 11 (ii) Captive source – Windmills under non REC scheme with 1 month banking (high cost power followed by low cost power)
- 11 (iii) Captive source – Windmills under REC scheme with 12 months banking (high cost power followed by low cost power)
- 11 (iv) Captive source – Windmills under non REC scheme with 12 months banking (high cost power followed by low cost power)

12. Distribution Licensee

(By Order of the Tamil Nadu Electricity Regulatory Commission)

Chennai,  
21st March 2022.

S. CHINNARAJALU,  
Secretary,  
*Tamil Nadu Electricity Regulatory Commission.*

## EXPLANATORY STATEMENT

1. TANGEDCO filed a petition in M.P No.24 of 2021 praying to the Commission to fix the order for priority of adjustment of energy when a HT consumer wheels/ purchases power from multiple sources of energy under open access. The petition was hosted by TANGEDCO for comments from stakeholders. Subsequently, a draft amendment to the Grid Connectivity and Open Access regulations 2014 was published in the Commission's website inviting comments from stakeholders.

2. Open access consumers procure power from multiple energy sources and from different entities. Effective functioning of choices of consumers to purchase power from different sources requires set of rules that govern the distribution licensee and the open access customer. Though open access is non discriminatory, a plain meaning cannot always be imported irrespective of the ground reality which requires a pragmatic regulatory approach. It has, therefore, become necessary to evolve a sequence of adjustment of energy purchased/wheeled by open access consumers considering the status of generating entities, environment, economics, and regulatory principles due to sourcing of energy by an open access consumer through multiple sources in a service connection for settlement of transactions and energy accounting. Commission after analysis of the comments received from stakeholders, notifies the sequence of adjustment of energy sources by open access consumers.

3. The priority for adjustment of energy from different sources notified is based on the cost of energy generated, the shelf life of firm power which cannot be stored and the facility of banking of energy provided to the sources.

4. First priority is accorded for adjustment of power procured from exchange through collective transactions followed by bilateral for the reason that consumers purchase power from the exchange for their emergent necessities and for procurement of energy at competitive rates. Collective transactions are further prioritized over bilateral as they cannot be revised once scheduled. The Electricity Act 2003 and the policies framed thereunder promote competition. For the same reason, second priority is accorded for adjustment of third party power purchase. Among the sources under third party, priority is accorded to renewable sources (biomass and bagasse based cogeneration) and thermal that are firm with high cost of generation. Solar power and wind power are infirm without banking and therefore accorded lower priority.

5. The consumers utilising captive sources have the option to plan utilization of captive energy and procure through IEX/third party power purchase and therefore are accorded priority after IEX and third party sources. There is also a converging view among stakeholders that the priority of adjusting IEX first followed by third party power purchase and captive sources presently followed by the Distribution licensee may be considered to notify the sequence of adjustment.

6. Among the captive sources, priority is accorded to biomass, bagasse and thermal due to the short shelf life of these firm sources which lapse when not consumed. Solar and wind are prioritised after the above mentioned sources of energy as the unutilized energy of these sources are sold to the Distribution licensee. In the case of wind energy, methodology of adjustment of energy generated has been prescribed in the Tariff orders issued for wind energy which have a banking period of 12 months. The energy generated in a month has to be adjusted against the consumption of that month and the balance unutilized energy gets banked. Wind energy generators shall first adjust their captive generation before adjusting any other captive source. Conceding to the request of stakeholders, priority is accorded to the windmills under the REC scheme due to the higher open access charges paid by the consumers over the non REC windmills.

7. Adjustment by descending order of tariffs for wind has been settled in the Commission's order in M.P No.14 of 2017. Priority accorded to wind mills with one month banking is subject to the decision in the appeals pending before the Courts.

The regulations shall take effect from the date of notification in the *Tamil Nadu Government Gazette*.

(By Order of the Tamil Nadu Electricity Regulatory Commission)

Chennai,  
21st March 2022.

S. CHINNARAJALU,  
Secretary,  
*Tamil Nadu Electricity Regulatory Commission.*

## STATEMENT SHOWING EXISTING PROVISION AND PROVISION AS AMENDED

Tamil Nadu Electricity Regulatory Commission (Grid Connectivity and Intra-State Open Access) Regulations, 2014

Existing Provision	Provision as Amended
<p>Common provisions for Open Access</p> <p>19. Allotment Priority. –</p> <p>(1) xxx</p> <p>.</p>	<p>Common provisions for Open Access</p> <p>19. Allotment Priority. –</p> <p>(1) xxx</p> <p>(2) Priority for adjustment of energy :</p> <p>The priority for adjustment of energy drawn by an open access consumer from different sources shall be as per the following sequence of reducing priority and shall be implemented for each slot/time block (adjustment in time block shall be applicable as and when implemented), upon adjustment of applicable losses:</p> <ol style="list-style-type: none"> <li>1. Power exchange transactions-collective followed by bilateral</li> <li>2. Third party power purchase – Biomass</li> <li>3. Third party power purchase – Bagasse based co-generation</li> <li>4. Third party power purchase – Thermal</li> <li>5. Third party power purchase – Solar</li> <li>6. Third party power purchase – Wind</li> <li>7. Captive source – Biomass</li> <li>8. Captive source – Bagasse based co-generation</li> <li>9. Captive source – Thermal</li> <li>10. Captive source – Solar (high cost power first followed by low cost power)</li> <li>11. Captive source – Wind (Captive wind energy generated in a month shall be adjusted first against consumption of that month and excess unutilized energy banked. i.e Methodology of adjustment specified in the Commission's Tariff orders for wind energy, as below, shall be followed:           <p>The energy generated during April shall be adjusted against consumption in April and the balance if any shall be reckoned as the banked energy. The generation in May shall be first adjusted against the consumption in May. If the consumption exceeds the generation during May, the energy available in the bank shall be drawn to the required extent. If the consumption during May is less than the generation during May, the balance shall be added to the banked energy. This procedure shall be repeated every month.)</p> <p>11(i) Windmills under REC scheme with 1 month banking (high cost power followed by low cost power)</p> <p>11(ii) Captive source – Windmills under non REC scheme with 1 month banking (high cost power followed by low cost power)</p> <p>11(iii) Captive source – Windmills under REC scheme with 12 months banking (high cost power followed by low cost power)</p> <p>11(iv) Captive source – Windmills under non REC scheme with 12 months banking (high cost power followed by low cost power)</p> </li> <li>12. Distribution Licensee</li> </ol>

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Chennai,  
21st March 2022.S. CHINNARAJALU,  
Secretary,  
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